

# Corporate Foreign Tax Credit, 1991: An Industry Focus

## Data Release

**F**or 1991, the foreign tax credit claimed by U.S. corporations against their U.S. income tax was approximately \$21.1 billion. The number of U.S. corporations claiming a foreign tax credit totaled 4,597. Their total income tax liability before credits was \$64.3 billion. These corporations reported creditable foreign taxes of \$27.8 billion. This amount includes taxes paid, accrued, and deemed paid, plus taxes carried over from previous periods, less a reduction for certain taxes. Taxable foreign-source income (after adjustments) totaled \$75.2 billion (see Table 1, column 16). Worldwide taxable income reported by corporations claiming a foreign tax credit was \$182.7 billion (see Table 1, column 9) [1].

Compared to the data for 1990, worldwide taxable income of these corporations dropped approximately 8.0 percent from \$198.7 to \$182.7 billion. Taxable foreign-source income (after adjustments) fell 10.0 percent from \$83.6 to \$75.2 billion, while the total of foreign taxes decreased 9.6 percent from \$30.7 billion for 1990 to \$27.8 billion for 1991. The foreign tax credit claimed decreased 15.6 percent from approximately \$25.0 billion for 1990 to \$21.1 billion for 1991.

The majority of the total foreign tax credit was claimed by corporations in the manufacturing industrial division (excluding petroleum) which reported a foreign tax credit of \$12.1 billion, approximately 57.4 percent of the total. The petroleum (including integrated) and coal products industrial group accounted for \$4.8 billion of the foreign tax credit, or 22.8 percent of the total. Of the \$12.1 billion reported by non-petroleum manufacturers, the chemicals and allied products accounted for \$3.4 billion of the foreign tax credit (16.2 percent of the total), while the non-electrical machinery group contributed \$2.7 billion (12.9 percent) towards the total foreign tax credit. The finance, insurance and real estate industrial division claimed \$1.6 billion of the foreign tax credit, or 7.6 percent of the total.

The amount of foreign taxes that can be credited against the U.S. income tax by a corporation is subject to a separate limitation for each type of income reported. Corporations had to report foreign-source income and the corresponding foreign taxes in one of the following categories: passive income, high withholding tax interest, financial services income, shipping income, dividends from a "noncontrolled" section 902 foreign corporation, dividends from an Interest Charge-Domestic International Sales Corporation (IC-DISC) or former DISC, certain distributions from a Foreign Sales Corporation (FSC) or former

FSC, foreign trade income of a FSC, and "all other income from outside the United States" [2,3].

However, each corporation may report foreign-source income in one or more income types for a given year. The total of foreign-source income for each income type is shown in Table 2 accompanying this article. The category "all other income from sources outside the United States" accounts for the largest percentage with \$62.3 billion, or 82.8 percent of the total foreign-source taxable income (after adjustments). Financial services income was the next largest category, totaling approximately \$8.0 billion or 10.6 percent. Passive income was the third largest, with \$2.8 billion or 3.7 percent of the total.

## Data Sources and Limitations

The 1991 data were derived from the returns with a foreign tax credit in the corporation *Statistics of Income* sample of returns with accounting periods ending between July 1991 and June 1992. The total corporate sample included 81,906 corporation income tax returns selected from the estimated population of 3,802,789 returns filed for Tax Year 1991 [4].

The foreign tax credit is claimed under section 901 and section 902 of the Internal Revenue Code. Corporations report the foreign income and taxes related to the foreign tax credit on the Form 1118, *Computation of Foreign Tax Credit -- Corporations*, filed with their corporate income tax return. The statistics in this article were based on information reported on Forms 1118 and the Form 1120 series of returns as originally filed with the Internal Revenue Service. Therefore, they do not reflect adjustments made during audit examination, which determines the acceptability of the foreign income and taxes reported. Some corporations provide preliminary data because complete information on their overseas operations is often not available when they file their U.S. income tax returns. Amended returns were excluded from the statistics.

Foreign income and taxes are underreported in this article to the extent that they were not reported on Form 1118. Some corporations did not file this form because they had no U.S. income tax to report and consequently were unable to claim the foreign tax credit for 1991 (any unused credits could, however, be carried over for use in other years). Others chose to deduct their foreign taxes from their gross income instead of taking the credit, while some corporations simply failed to file the Form 1118 to support the foreign tax credit on their returns as originally filed. The amount of foreign income and taxes attributable to these latter two types of returns is considered to be minimal [5].

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### Notes and References

- [1] For purposes of this article, worldwide taxable income is equal to "income subject to U.S. tax" as shown in column 9 of Table 1.
- [2] One limitation category, foreign trade income of a FSC, is not presented in the data for 1991 because Foreign Sales Corporation (FSC) returns were not included in the corporation sample of returns for 1991.
- [3] These terms are explained more fully in an article appearing in this issue. See Nutter, Sarah E., "Corporate Foreign Tax Credit, 1990: A Geographic Focus on Large U.S. Corporations."
- [4] For more information on the sample of corporate returns, see *Statistics of Income--1991, Corporation Income Tax Returns*.
- [5] The references to foreign income and taxes refer to repatriated foreign income and the taxes paid on that income, as well as "deemed paid" taxes.

# Corporate Foreign Tax Credit, 1991: An Industry Focus

**Table 1.—All Corporation Returns with Foreign Tax Credit: Total Assets, Income, Taxes, and Credits and Foreign Income, Taxes, and Credit Reported on Form 1118, by Major and Selected Minor Industrial Group**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Major and selected minor industrial group	Number of returns	Total assets	Total receipts	Dividends from foreign corporations	Dividends from IC-DISC's or former DISC's <sup>1</sup>	Includable income of Controlled Foreign Corporations	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All industries.....</b>	<b>4,597</b>	<b>5,986,009,355</b>	<b>2,962,041,309</b>	<b>22,252,280</b>	<b>265,055</b>	<b>12,786,532</b>	<b>14,712,130</b>
<b>Agriculture, forestry and fishing.....</b>	<b>101</b>	<b>1,998,741</b>	<b>2,591,101</b>	<b>46,310</b>	<b>--</b>	<b>4,538</b>	<b>24,955</b>
<b>Mining.....</b>	<b>113</b>	<b>45,961,626</b>	<b>19,449,900</b>	<b>106,377</b>	<b>223</b>	<b>86,702</b>	<b>110,787</b>
Metal Mining.....	*6	*7,305,042	*2,924,071	*2,006	--	*12,278	*2,703
Coal Mining.....	*4	*1,847,299	*1,552,705	*1,820	--	--	--
Oil and gas extraction.....	93	34,147,756	12,586,594	102,423	223	74,424	108,084
Nonmetallic minerals, except fuels.....	*9	*2,661,529	*2,386,529	*128	--	--	--
<b>Construction.....</b>	<b>354</b>	<b>23,333,310</b>	<b>27,618,423</b>	<b>163,334</b>	<b>518</b>	<b>163,501</b>	<b>143,953</b>
General building contractors.....	298	5,446,279	9,731,058	39,866	--	16,062	30,292
Heavy construction contractors.....	23	17,042,360	16,160,843	123,468	258	141,819	109,665
Special trade contractors.....	33	844,671	1,726,521	--	260	5,620	3,996
<b>Manufacturing.....</b>	<b>1,447</b>	<b>1,896,649,105</b>	<b>1,593,675,593</b>	<b>19,312,978</b>	<b>253,391</b>	<b>9,196,517</b>	<b>12,511,199</b>
Food and kindred products.....	89	117,847,461	128,445,819	1,701,468	2,800	576,075	927,387
Tobacco manufactures.....	*4	*96,753,291	*55,231,348	*477,657	*5,456	*758,216	*381,783
Textile mill products.....	40	5,172,867	5,897,971	27,896	107	3,349	12,462
Apparel and other textile products.....	23	16,632,733	15,761,643	245,353	130	89,353	139,860
Lumber and wood products.....	12	18,717,220	14,723,841	55,477	1,607	9,358	33,845
Furniture and fixtures.....	*7	*3,676,905	*4,475,694	*5,731	*69	*16	*4,003
Paper and allied products.....	28	52,769,738	45,760,534	393,959	10,510	239,832	335,329
Printing and publishing.....	77	71,153,963	48,271,579	344,022	2,726	7,388	138,221
Chemicals and allied products.....	238	347,576,333	267,483,676	3,777,662	45,869	2,303,662	2,878,230
Petroleum (including integrated) and coal products.....	41	417,036,893	360,917,735	3,353,401	5,041	2,000,078	2,388,950
Rubber and miscellaneous plastics products.....	62	14,045,958	18,935,292	415,685	3,658	40,395	185,019
Leather and leather products.....	15	2,537,084	4,527,293	6,746	23	814	837
Stone, clay, and glass products.....	18	18,900,476	13,828,829	140,118	1,764	79,349	109,483
Primary metal industries.....	20	22,061,006	27,103,927	306,121	3,166	83,540	153,052
Fabricated metal products.....	125	55,741,140	40,072,232	306,477	4,718	307,267	324,171
Machinery, except electrical.....	245	154,302,950	130,848,758	4,812,164	56,282	544,963	2,481,560
Electrical and electronic equipment.....	169	267,294,746	162,640,356	1,051,059	11,012	682,282	731,030
Motor vehicles and equipment.....	20	13,172,033	12,543,729	84,589	3,355	6,969	47,153
Transportation equipment, except motor vehicles.....	49	97,665,960	144,300,973	264,708	87,078	623,774	277,544
Instruments and related products.....	89	64,300,860	65,874,839	1,377,259	6,213	758,786	859,171
Miscellaneous manufacturing and manufacturing not allocable.....	76	39,289,486	26,029,526	165,425	1,805	81,051	102,109
<b>Transportation and public utilities.....</b>	<b>143</b>	<b>401,638,091</b>	<b>236,662,671</b>	<b>392,455</b>	<b>2,904</b>	<b>423,406</b>	<b>279,231</b>
Transportation.....	98	47,423,919	33,188,711	13,387	125	179,944	9,304
Water transportation.....	29	6,376,140	6,369,616	2,865	125	66,962	2,733
All other transportation.....	69	41,047,779	26,819,095	10,522	--	112,983	6,571
Communication.....	20	225,114,782	140,354,582	324,147	2,761	187,760	233,462
Electric, gas, and sanitary services.....	25	129,099,390	63,119,379	54,922	19	55,702	36,465

Footnotes at end of table.

# Corporate Foreign Tax Credit, 1991: An Industry Focus

**Table 1.--All Corporation Returns with Foreign Tax Credit: Total Assets, Income, Taxes, and Credits and Foreign Income, Taxes, and Credit Reported on Form 1118, by Major and Selected Minor Industrial Group --Continued**

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Major and selected minor industrial group	Number of returns	Total assets	Total receipts	Dividends from foreign corporations	Dividends from IC-DISC's or former DISC's <sup>1</sup>	Includable income of Controlled Foreign Corporations	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Wholesale and retail trade.....</b>	<b>578</b>	<b>253,906,399</b>	<b>345,623,061</b>	<b>1,097,730</b>	<b>4,006</b>	<b>946,883</b>	<b>700,262</b>
<b>Wholesale trade.....</b>	<b>353</b>	<b>153,608,477</b>	<b>181,878,270</b>	<b>885,373</b>	<b>3,998</b>	<b>818,190</b>	<b>539,195</b>
Groceries and related products.....	*7	*4,110,781	*16,530,111	*3,123	--	*922	*2,395
Machinery, equipment, and supplies.....	153	5,494,055	5,954,133	22,904	2,831	8,393	16,223
Miscellaneous wholesale trade.....	193	144,003,642	159,394,026	859,346	1,167	808,876	520,578
Drugs, chemicals, and allied products..	23	5,017,655	13,445,308	6,346	714	18,445	1,692
Petroleum and petroleum products.....	*6	*79,798,405	*22,219,050	*649,780	--	*603,424	*380,437
Other miscellaneous wholesale trade...	164	59,187,582	123,729,669	203,220	453	187,007	138,448
<b>Retail trade.....</b>	<b>223</b>	<b>99,933,093</b>	<b>163,466,879</b>	<b>212,357</b>	<b>8</b>	<b>128,692</b>	<b>161,067</b>
Building materials, garden supplies, and mobile home dealers.....	24	2,367,977	3,654,474	201	--	--	--
General merchandise stores.....	*4	*39,910,670	*64,720,658	*24,429	--	*41,431	*15,093
Food stores.....	*7	*7,937,066	*32,966,470	*120	--	--	*47
Automotive dealers and service stations..	*6	*335,150	*892,907	*79	--	--	--
Apparel and accessory stores.....	17	18,519,068	32,576,600	100,035	--	11,780	50,029
Furniture and home furnishings stores....	85	102,438	157,449	--	--	--	--
Eating and drinking places.....	26	20,675,967	16,511,870	37,828	--	75,481	79,122
All other retail stores.....	54	10,084,758	11,986,452	49,664	8	--	16,777
<b>Finance, insurance, and real estate.....</b>	<b>1,185</b>	<b>3,248,142,593</b>	<b>660,206,376</b>	<b>809,659</b>	<b>1,733</b>	<b>1,749,776</b>	<b>726,826</b>
Banking.....	84	1,074,134,805	120,828,213	81,546	--	476,205	96,246
Credit agencies other than banks.....	27	267,838,446	45,148,362	19,109	--	241,555	25,712
Security, commodity brokers, and services..	143	277,941,546	43,486,952	119,839	--	244,086	148,079
Insurance.....	187	1,534,198,138	434,521,731	127,996	1,104	700,148	234,847
Insurance agents, brokers, and services....	*7	*8,920,981	*4,429,572	*201,550	--	*20,329	*100,490
Real estate.....	233	3,827,372	2,586,481	29,839	28	--	3,081
Holding and other investment companies, except bank holding companies.....	504	81,281,305	9,205,064	229,779	601	67,453	118,370
<b>Services.....</b>	<b>676</b>	<b>114,379,459</b>	<b>76,213,957</b>	<b>323,437</b>	<b>2,280</b>	<b>215,209</b>	<b>214,917</b>
Hotels and other lodging places.....	*5	*1,357,087	*449,973	*35,358	--	*5,836	*21,108
Personal services.....	12	5,560,594	5,705,983	31,125	--	1,268	24,777
Business services.....	309	48,155,085	33,973,729	187,026	2,133	86,552	131,383
Auto repair; miscellaneous repair services...	13	3,621,194	2,811,327	220	--	--	1
Amusement and recreation services.....	70	39,991,165	15,981,941	62,904	--	61,065	21,317
All other services.....	267	15,694,334	17,291,003	6,804	147	60,486	16,332

Footnotes at end of table.

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**Table 1.--All Corporation Returns with Foreign Tax Credit: Total Assets, Income, Taxes, and Credits and Foreign Income; Taxes, and Credit Reported on Form 1118, by Major and Selected Minor Industrial Group--Continued**

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Major and selected minor industrial group	Net income (less deficit)	Income subject to U.S. tax	U.S. income tax before credits		Foreign tax credit claimed	U.S. possessions tax credit	General business credit	U.S. income tax after credits <sup>3</sup>
			Total <sup>2</sup>	Regular and alternative minimum tax				
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
<b>All industries.....</b>	<b>194,428,576</b>	<b>182,739,651</b>	<b>64,275,380</b>	<b>63,972,690</b>	<b>21,096,219</b>	<b>52,147</b>	<b>1,215,244</b>	<b>41,160,372</b>
<b>Agriculture, forestry, and fishing.....</b>	<b>283,664</b>	<b>280,741</b>	<b>95,665</b>	<b>95,315</b>	<b>30,951</b>	<b>-</b>	<b>1,409</b>	<b>63,163</b>
<b>Mining.....</b>	<b>3,353,200</b>	<b>3,245,178</b>	<b>1,132,947</b>	<b>1,125,278</b>	<b>639,076</b>	<b>-</b>	<b>1,813</b>	<b>396,536</b>
Metal mining.....	*496,789	*487,277	*171,405	*170,559	*90,658	-	*2	*69,826
Coal mining.....	*112,347	*99,182	*34,854	*34,652	*279	-	-	*33,257
Oil and gas extraction.....	2,610,758	2,526,232	874,528	868,163	541,950	-	1,766	247,710
Nonmetallic minerals, except fuels.....	*133,306	*132,488	*52,160	*51,904	*6,188	-	*45	*45,743
<b>Construction.....</b>	<b>1,568,049</b>	<b>1,507,813</b>	<b>516,093</b>	<b>513,355</b>	<b>181,410</b>	<b>-</b>	<b>30,557</b>	<b>312,002</b>
General building contractors.....	196,101	186,011	64,178	63,550	29,726	-	2,302	33,523
Heavy construction contractors.....	1,289,431	1,240,497	424,290	422,265	146,956	-	28,204	255,960
Special trade contractors.....	82,517	81,304	27,626	27,540	4,728	-	51	22,519
<b>Manufacturing.....</b>	<b>121,760,222</b>	<b>115,640,113</b>	<b>40,741,849</b>	<b>40,564,288</b>	<b>16,907,646</b>	<b>49,629</b>	<b>927,528</b>	<b>22,693,034</b>
Food and kindred products.....	11,088,549	10,798,461	3,744,403	3,727,675	1,268,473	28,403	28,055	2,402,168
Tobacco manufactures.....	*7,138,562	*6,897,839	*2,354,917	*2,345,265	*479,919	-	*22,558	*1,852,014
Textile mill products.....	496,365	484,098	165,401	164,734	15,820	-	3,289	145,244
Apparel and other textile products.....	1,746,267	1,731,210	591,355	589,137	180,514	92	3,383	404,193
Lumber and wood products.....	802,064	800,791	279,997	272,539	28,087	-	534	239,576
Furniture and fixtures.....	*270,109	*266,798	*91,087	*90,711	*4,344	-	*812	*85,251
Paper and allied products.....	3,924,176	3,812,460	1,371,743	1,365,665	402,183	-	21,065	947,272
Printing and publishing.....	3,412,472	2,979,805	1,039,747	1,034,721	201,781	-	5,670	832,249
Chemicals and allied products.....	24,743,876	23,360,027	8,114,455	8,078,239	3,421,831	12,898	257,035	4,396,520
Petroleum (including integrated) and coal products.....	22,360,699	21,840,704	7,606,709	7,596,322	4,806,497	-	145,136	2,563,832
Rubber and miscellaneous plastics products.....	1,399,392	1,341,465	492,157	490,256	252,584	-	8,153	235,368
Leather and leather products.....	184,750	181,600	64,066	63,853	3,330	-	439	60,083
Stone, clay, and glass products.....	1,039,558	973,670	337,988	336,348	121,580	500	1,199	209,380
Primary metal industries.....	1,122,241	1,084,642	411,305	409,279	189,004	-	1,884	217,041
Fabricated metal products.....	3,159,973	2,963,695	1,017,923	1,013,648	391,128	-	6,793	573,547
Machinery, except electrical.....	10,959,394	10,494,448	3,809,172	3,794,423	2,719,621	-	193,878	1,006,371
Electrical and electronic equipment.....	9,879,409	9,310,975	3,373,615	3,351,607	948,128	-	143,658	2,297,858
Motor vehicles and equipment.....	400,192	380,895	147,115	146,435	55,044	-	1,311	90,309
Transportation equipment, except motor vehicles.....	9,892,377	9,004,648	3,109,464	3,086,248	322,012	-	9,980	2,708,719
Instruments and related products.....	5,666,117	5,162,480	1,999,090	1,989,606	982,151	-	64,416	942,463
Miscellaneous manufacturing and manufacturing not allocable.....	2,073,680	1,769,401	620,141	617,577	113,614	7,736	8,282	483,579
<b>Transportation and public utilities.....</b>	<b>16,321,648</b>	<b>15,313,037</b>	<b>5,502,804</b>	<b>5,468,547</b>	<b>390,601</b>	<b>-</b>	<b>56,854</b>	<b>4,933,023</b>
Transportation.....	1,736,521	1,564,545	561,106	558,437	44,415	-	3,019	452,344
Water transportation.....	375,210	330,334	114,558	114,039	17,157	-	-	81,870
All other transportation.....	1,361,311	1,234,211	446,548	444,399	27,257	-	3,019	370,474
Communication.....	8,550,980	8,204,375	2,949,438	2,921,162	292,174	-	37,721	2,600,797
Electric, gas, and sanitary services.....	6,034,147	5,544,116	1,992,260	1,988,948	54,013	-	16,114	1,879,882

Footnotes at end of table.

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[All figures are estimates based on samples—money amounts are in thousands of dollars]

Major and selected minor industrial group	Net income (less deficit)	Income subject to U.S. tax	U.S. income tax before credits		Foreign tax credit claimed	U.S. possessions tax credit	General business credit	U.S. income tax after credits <sup>a</sup>
			Total <sup>2</sup>	Regular and alternative minimum tax				
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
<b>Wholesale and retail trade.....</b>	<b>12,318,876</b>	<b>11,401,618</b>	<b>3,943,670</b>	<b>3,925,273</b>	<b>876,460</b>	<b>1,911</b>	<b>72,916</b>	<b>2,976,655</b>
<b>Wholesale trade.....</b>	<b>6,179,509</b>	<b>5,173,120</b>	<b>1,806,883</b>	<b>1,798,149</b>	<b>610,971</b>	—	<b>8,740</b>	<b>1,171,307</b>
Groceries and related products.....	*299,039	*297,054	*101,454	*101,055	*2,627	—	*589	*95,702
Machinery, equipment, and supplies.....	224,104	211,860	75,200	74,985	16,588	—	653	56,954
Miscellaneous wholesale trade.....	5,656,366	4,664,206	1,630,230	1,622,109	591,755	—	7,497	1,018,652
Drugs, chemicals, and allied products	292,128	291,933	102,258	101,851	5,371	—	769	95,841
Petroleum and petroleum products.....	*2,192,073	*1,385,086	*473,523	*470,929	*409,837	—	*327	*63,358
Other miscellaneous wholesale trade.	3,172,165	2,987,187	1,054,449	1,049,329	176,547	—	6,401	859,453
<b>Retail trade.....</b>	<b>6,096,425</b>	<b>6,186,753</b>	<b>2,122,545</b>	<b>2,112,931</b>	<b>265,484</b>	—	<b>64,176</b>	<b>1,793,022</b>
Building materials, garden supplies, and mobile home dealers.....	122,737	121,909	41,432	41,266	32	—	2,203	39,197
General merchandise stores.....	*2,046,813	*1,974,279	*676,515	*673,106	*20,263	—	*25,218	*633,330
Food stores.....	*362,477	*356,548	*127,311	*126,674	*2,174	—	*9,472	*122,467
Automotive dealers and service stations.	*18,531	*18,015	*6,673	*6,654	*83	—	*14	*6,101
Apparel and accessory stores.....	1,762,321	1,705,733	582,403	579,936	73,482	—	8,067	499,206
Furniture and home furnishings stores...	16,539	16,247	4,990	4,974	150	—	—	4,839
Eating and drinking places.....	1,341,389	1,335,365	457,744	455,674	142,022	—	14,990	294,340
All other retail stores.....	425,619	658,656	225,477	224,647	27,278	—	4,213	193,542
<b>Finance, insurance, and real estate.....</b>	<b>32,796,568</b>	<b>29,702,906</b>	<b>10,386,355</b>	<b>10,332,337</b>	<b>1,597,172</b>	<b>607</b>	<b>50,268</b>	<b>8,355,518</b>
Banking.....	5,653,613	5,561,849	1,960,954	1,950,232	436,689	—	10,884	1,409,239
Credit agencies other than banks.....	1,256,287	1,466,695	508,668	506,839	101,754	—	3,004	402,175
Security, commodity brokers, and services.	3,488,486	3,168,922	1,077,934	1,073,572	194,940	—	982	823,998
Insurance.....	19,775,520	17,059,718	5,994,729	5,961,594	613,382	121	33,112	5,135,920
Insurance agents, brokers, and services....	*708,673	*700,126	*239,744	*238,864	*108,080	—	*1,665	*129,806
Real estate.....	167,851	149,601	53,264	52,220	11,217	485	379	40,807
Holding and other investment companies, except bank holding companies.....	1,746,138	1,595,995	551,062	549,016	131,112	—	242	413,572
<b>Services.....</b>	<b>6,026,336</b>	<b>5,648,237</b>	<b>1,955,996</b>	<b>1,948,296</b>	<b>472,900</b>	—	<b>73,900</b>	<b>1,430,441</b>
Hotels and other lodging places.....	*172,142	*168,997	*57,871	*57,664	*40,687	—	*14	*15,461
Personal services.....	553,588	537,631	184,314	183,567	23,399	—	1,921	157,725
Business services.....	2,503,003	2,349,471	821,745	818,708	265,973	—	63,016	521,542
Auto repair; miscellaneous repair services.	91,313	111,063	37,931	37,761	778	—	212	34,459
Amusement and recreation services.....	1,290,968	1,203,709	416,877	415,067	96,159	—	2,881	316,118
All other services.....	1,415,321	1,277,366	437,257	43,529	45,904	—	5,857	385,136

Footnotes at end of table.

# Corporate Foreign Tax Credit, 1991: An Industry Focus

**Table 1.—All Corporation Returns with Foreign Tax Credit: Total Assets, Income, Taxes, and Credits and Foreign Income, Taxes, and Credit Reported on Form 1118, by Major and Selected Minor Industrial Group—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118						
	Foreign taxable income (less loss) after adjustments	Foreign taxes available for credit			Taxes paid, accrued, or deemed paid		
		Total	Reduction for certain foreign taxes	Carryover	Total	Taxes paid or accrued	Taxes deemed paid
	(16)	(17)	(18)	(19)	(20)	(21)	(22)
<b>All industries.....</b>	<b>75,182,938</b>	<b>27,813,337</b>	<b>1,263,746</b>	<b>5,382,338</b>	<b>23,694,744</b>	<b>8,994,610</b>	<b>14,700,134</b>
<b>Agriculture, forestry, and fishing.....</b>	<b>94,228</b>	<b>32,688</b>	<b>98</b>	<b>229</b>	<b>32,558</b>	<b>7,603</b>	<b>24,955</b>
<b>Mining.....</b>	<b>2,002,310</b>	<b>1,205,791</b>	<b>235,291</b>	<b>464,532</b>	<b>976,550</b>	<b>865,763</b>	<b>110,787</b>
Metal mining.....	*327,629	*205,232	—	*112,032	*93,200	*90,497	*2,703
Coal mining.....	*1,792	*279	—	—	*279	*279	—
Oil and gas extraction.....	1,653,799	992,738	232,629	350,593	874,775	766,691	108,084
Nonmetallic minerals, except fuels.....	*19,090	*7,542	*2,663	*1,908	*8,297	*8,297	—
<b>Construction.....</b>	<b>675,500</b>	<b>202,927</b>	<b>—</b>	<b>22,167</b>	<b>180,760</b>	<b>36,816</b>	<b>143,944</b>
General building contractors.....	102,209	49,270	—	13,971	35,299	5,007	30,292
Heavy construction contractors.....	554,013	148,015	—	8,116	139,899	30,243	109,656
Special trade contractors.....	19,278	5,643	—	80	5,562	1,566	3,996
<b>Manufacturing.....</b>	<b>55,650,522</b>	<b>22,019,137</b>	<b>1,020,022</b>	<b>4,082,021</b>	<b>18,957,139</b>	<b>6,453,921</b>	<b>12,503,218</b>
Food and kindred products.....	4,086,803	1,338,478	1,813	64,063	1,276,228	348,885	927,343
Tobacco manufactures.....	*1,593,169	*492,170	—	*18,879	*473,291	*91,508	*381,783
Textile mill products.....	76,176	18,715	—	3,033	15,682	3,227	12,455
Apparel and other textile products.....	577,491	266,138	—	83,643	182,495	42,635	139,860
Lumber and wood products.....	99,635	34,338	—	44	34,295	450	33,845
Furniture and fixtures.....	*15,482	*4,927	—	—	*4,927	*924	*4,003
Paper and allied products.....	1,302,943	409,989	—	1,845	408,145	72,822	335,323
Printing and publishing.....	799,622	273,771	—	42,496	231,275	93,054	138,221
Chemicals and allied products.....	11,372,728	4,152,978	38,671	472,913	3,718,736	840,450	2,878,286
Petroleum (including integrated) and coal products.....	14,546,880	7,511,486	978,122	2,646,473	5,843,135	3,454,185	2,388,950
Rubber and miscellaneous plastics products.....	772,941	359,624	890	111,242	249,272	64,253	185,019
Leather and leather products.....	40,669	3,490	3	34	3,459	2,622	837
Stone, clay, and glass products.....	373,581	180,558	—	42,027	138,531	29,048	109,483
Primary metal industries.....	653,767	269,216	4	79,571	189,648	36,596	153,052
Fabricated metal products.....	1,236,221	461,243	109	55,021	406,330	82,257	324,073
Machinery, except electrical.....	8,748,985	3,295,123	404	116,137	3,179,390	705,608	2,473,782
Electrical and electronic equipment.....	3,782,526	1,106,962	5	89,001	1,017,966	286,939	731,027
Motor vehicles and equipment.....	171,652	98,602	—	42,142	56,459	9,306	47,153
Transportation equipment, except motor vehicles.....	1,538,074	405,808	—	71,282	334,526	56,982	277,544
Instruments and related products.....	3,434,982	1,170,159	—	107,805	1,062,353	203,284	859,069
Miscellaneous manufacturing and manufacturing not allocable.....	426,198	165,364	—	34,370	130,994	28,886	102,108
<b>Transportation and public utilities.....</b>	<b>2,693,014</b>	<b>478,645</b>	<b>1,461</b>	<b>66,757</b>	<b>413,348</b>	<b>137,024</b>	<b>276,324</b>
Transportation.....	513,771	56,441	—	14,134	42,307	33,003	9,304
Water transportation.....	244,155	17,823	—	1,352	16,471	13,738	2,733
All other transportation.....	269,615	38,618	—	12,782	25,836	19,265	6,571
Communication.....	1,984,603	349,271	—	33,664	315,607	85,051	230,556
Electric, gas, and sanitary services.....	194,640	72,933	1,461	18,959	55,435	18,970	36,465

Footnotes at end of table.

# Corporate Foreign Tax Credit, 1991: An Industry Focus

**Table 1.--All Corporation Returns with Foreign Tax Credit: Total Assets, Income, Taxes, and Credits and Foreign Income, Taxes, and Credit Reported on Form 1118, by Major and Selected Minor Industrial Group--Continued**

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118						
	Foreign taxable income (less loss) after adjustments	Foreign taxes available for credit					
		Total	Reduction for certain foreign taxes	Carryover	Taxes paid, accrued, or deemed paid		
					Total	Taxes paid or accrued	Taxes deemed paid
	(16)	(17)	(18)	(19)	(20)	(21)	(22)
<b>Wholesale and retail trade.....</b>	<b>3,141,705</b>	<b>1,032,769</b>	<b>12</b>	<b>123,542</b>	<b>909,239</b>	<b>208,977</b>	<b>700,262</b>
<b>Wholesale trade.....</b>	<b>2,241,590</b>	<b>727,754</b>	<b>5</b>	<b>77,025</b>	<b>650,733</b>	<b>111,538</b>	<b>539,195</b>
Groceries and related products.....	*8,601	*7,541	--	*4,173	*3,368	*973	*2,395
Machinery, equipment, and supplies.....	62,364	40,530	--	18,172	22,359	6,136	16,223
Miscellaneous wholesale trade.....	2,170,625	679,683	5	54,681	625,007	104,429	520,578
Drugs, chemicals, and allied products	41,984	6,776	4	986	5,793	4,101	1,692
Petroleum and petroleum products.....	*1,439,162	*435,753	--	*2,784	*432,969	*52,532	*380,437
Other miscellaneous wholesale trade.	689,479	237,154	1	50,911	186,244	47,796	138,448
<b>Retail trade.....</b>	<b>900,085</b>	<b>305,010</b>	<b>7</b>	<b>46,517</b>	<b>258,500</b>	<b>97,433</b>	<b>161,067</b>
Building materials, garden supplies, and mobile home dealers.....	214	32	--	--	32	32	--
General merchandise stores.....	*112,743	*34,792	--	*11,342	*23,451	*8,358	*15,093
Food stores.....	*6,720	*2,325	--	--	*2,326	*2,279	*47
Automotive dealers and service stations.	*505	*83	--	*19	*64	*64	--
Apparel and accessory stores.....	231,165	79,186	7	930	78,263	28,234	50,029
Furniture and home furnishings stores....	1,103	151	--	--	151	151	--
Eating and drinking places.....	423,795	160,711	--	32,723	127,987	48,865	79,122
All other retail stores.....	123,841	27,730	--	1,503	26,227	9,450	16,777
<b>Finance, insurance, and real estate.....</b>	<b>8,533,486</b>	<b>2,128,925</b>	<b>6,751</b>	<b>450,182</b>	<b>1,685,494</b>	<b>959,630</b>	<b>725,864</b>
Banking.....	2,753,075	701,725	--	216,299	485,425	389,500	95,925
Credit agencies other than banks.....	313,852	138,185	--	11,715	126,470	100,758	25,712
Security, commodity brokers, and services.	921,333	210,067	137	19,422	190,782	42,703	148,079
Insurance.....	3,674,605	695,937	6,589	94,284	608,242	374,036	234,206
Insurance agents, brokers, and services....	*359,440	*116,661	--	*98	*116,563	*16,073	*100,490
Real estate.....	39,227	11,849	--	1,126	10,722	7,641	3,081
Holding and other investment companies, except bank holding companies.....	471,953	254,501	25	107,238	147,288	28,918	118,370
<b>Services.....</b>	<b>2,392,153</b>	<b>712,452</b>	<b>110</b>	<b>172,908</b>	<b>539,655</b>	<b>324,875</b>	<b>214,780</b>
Hotels and other lodging places.....	*156,978	*59,961	--	*15,429	*44,532	*23,424	*21,108
Personal services.....	76,266	51,156	--	19,751	31,405	6,628	24,777
Business services.....	1,402,865	383,556	110	86,516	297,150	165,905	131,245
Auto repair, miscellaneous repair services.	4,307	949	--	175	774	773	1
Amusement and recreation services.....	470,634	116,786	--	14,613	102,173	80,856	21,317
All other services.....	281,103	100,044	--	36,423	63,622	47,290	16,332

\* Data should be used with caution because of the small number of returns on which they were based.

\*\* Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

<sup>1</sup> Interest Charge--Domestic International Sales Corporation (IC-DISC) and Domestic International Sales Corporation (DISC).

<sup>2</sup> In addition to the regular and alternative minimum tax, total U.S. income tax before credits includes taxes such as recapture taxes, personal holding company taxes, and environmental taxes.

<sup>3</sup> U.S. income tax after credits reflects the impact of other credits not shown separately in this table, such as the orphan drug credit, the non-conventional source fuel credit and the prior-year minimum tax credit.

NOTES: Data for foreign taxes are reported on Schedule B of the Form 1118, Foreign Tax Credit-Corporations. Total foreign taxes available for credit (column 17) is equal to total foreign taxes paid or accrued (column 21), and taxes deemed paid (column 22). This sum is adjusted for certain items (e.g., reductions of foreign taxes under section 907 related to oil and gas income) which are reported in column 18 and carryovers of foreign taxes not credited in prior years which are reported in column 19.

Adjustments to foreign-source taxable income include allocations of current-year U.S.-source losses and recapture of foreign losses, as well as other adjustments. Those adjustments (reported in Schedule J) affect the numerator of the limitation fraction used to compute the foreign tax credit (reported in column 22).



# Corporate Foreign Tax Credit, 1991: An Industry Focus

**Table 2.--Foreign Income and Taxes and Foreign Tax Credit Reported on Form 1118, by Industrial Division and Income Type**

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial division, income type	Number of returns <sup>1</sup>	Foreign taxable income (less loss) after adjustments	Foreign taxes available for credit					Foreign tax credit
			Total taxes available for credit	Reduction for certain foreign taxes	Carryover	Taxes paid or accrued	Taxes deemed paid	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>ALL INDUSTRIES</b>								
<b>All income types.....</b>	<b>4,597</b>	<b>75,182,938</b>	<b>27,813,337</b>	<b>1,263,746</b>	<b>5,382,338</b>	<b>8,994,610</b>	<b>14,700,134</b>	<b>21,096,250</b>
Passive income.....	1,134	2,840,942	409,434	25	39,021	133,533	236,905	360,338
High withholding tax interest.....	312	414,607	87,646	1	15,705	63,294	8,648	62,265
Financial services income.....	290	7,977,258	1,906,510	6,717	322,762	891,438	699,027	1,524,618
Shipping income.....	25	672,145	58,295	41	4,921	22,112	31,302	47,531
Dividends from noncontrolled section 902 corporations.....	402	955,952	649,346	447	224,221	68,257	357,314	294,453
Dividends from an IC-DISC or former DISC <sup>2</sup> .....	*6	*27,108	*236	--	--	*167	*68	*236
Certain distributions from a FSC or former FSC <sup>3</sup> .....	*3	*40,281	*21	--	--	*4	*17	*21
All other income from outside the United States.....	3,251	62,254,645	24,701,849	1,256,515	4,775,707	7,815,805	13,366,852	18,806,788
<b>AGRICULTURE, FORESTRY, AND FISHING</b>								
<b>All income types.....</b>	<b>101</b>	<b>94,228</b>	<b>32,688</b>	<b>98</b>	<b>229</b>	<b>7,603</b>	<b>24,955</b>	<b>30,951</b>
Passive income.....	19	2,000	227	--	--	19	209	227
High withholding tax interest.....	--	--	--	--	--	--	--	--
Financial services income.....	--	--	--	--	--	--	--	--
Shipping income.....	--	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations.....	--	--	--	--	--	--	--	--
Dividends from an IC-DISC or former DISC <sup>2</sup> .....	--	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC <sup>3</sup> .....	--	--	--	--	--	--	--	--
All other income from outside the United States.....	85	92,228	32,641	98	229	7,584	24,746	30,724
<b>MINING</b>								
<b>All income types.....</b>	<b>113</b>	<b>2,002,310</b>	<b>1,205,791</b>	<b>235,291</b>	<b>464,532</b>	<b>865,763</b>	<b>110,787</b>	<b>639,076</b>
Passive income.....	12	4,813	636	--	--	636	--	507
High withholding tax interest.....	--	--	--	--	--	--	--	--
Financial services income.....	--	--	--	--	--	--	--	--
Shipping income.....	--	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations.....	9	25,061	23,087	--	11,609	4,550	6,928	8,468
Dividends from an IC-DISC or former DISC <sup>2</sup> .....	--	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC <sup>3</sup> .....	--	--	--	--	--	--	--	--
All other income from outside the United States.....	104	1,968,968	1,181,239	235,291	452,923	859,914	103,693	629,438
<b>CONSTRUCTION</b>								
<b>All income types.....</b>	<b>354</b>	<b>675,500</b>	<b>202,927</b>	<b>--</b>	<b>22,167</b>	<b>36,816</b>	<b>143,944</b>	<b>181,410</b>
Passive income.....	91	79,749	2,551	--	191	268	2,093	2,078
High withholding tax interest.....	*7	*448	*87	--	--	*87	--	*86
Financial services income.....	--	--	--	--	--	--	--	--
Shipping income.....	--	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations.....	--	--	--	--	--	--	--	--
Dividends from an IC-DISC or former DISC <sup>2</sup> .....	--	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC <sup>3</sup> .....	--	--	--	--	--	--	--	--
All other income from outside the United States.....	267	591,869	198,579	--	21,893	36,376	140,310	178,083
<b>MANUFACTURING</b>								
<b>All income types.....</b>	<b>1,447</b>	<b>55,650,522</b>	<b>22,019,137</b>	<b>1,020,022</b>	<b>4,082,021</b>	<b>6,453,921</b>	<b>12,503,218</b>	<b>16,909,648</b>
Passive income.....	391	2,207,016	321,586	(*)	19,272	102,801	199,513	294,735
High withholding tax interest.....	108	98,002	23,340	--	4,911	14,586	3,843	18,966
Financial services income.....	21	248,417	77,093	2	4	33,077	44,014	70,318
Shipping income.....	11	108,953	30,491	(*)	4,921	3,282	22,288	19,727
Dividends from noncontrolled section 902 corporations.....	178	676,967	472,246	433	163,265	37,754	271,660	211,379
Dividends from an IC-DISC or former DISC <sup>2</sup> .....	*6	*27,108	*236	--	--	*167	*68	*236
Certain distributions from a FSC or former FSC <sup>3</sup> .....	*3	*40,281	*21	--	--	*4	*17	*21
All other income from outside the United States.....	1,240	52,243,778	21,094,125	1,019,587	3,889,648	6,262,250	11,961,814	16,294,266

Footnotes at end of table.

# Corporate Foreign Tax Credit, 1991: An Industry Focus

**Table 2.--Foreign Income and Taxes and Foreign Tax Credit Reported on Form 1118, by Industrial Division and Income Type<sup>1</sup>--Continued**

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial division, income type	Number of returns <sup>1</sup>	Foreign taxable income (less loss) after adjustments	Foreign taxes available for credit					Foreign tax credit
			Total taxes available for credit	Reduction for certain foreign taxes	Carryover	Taxes paid or accrued	Taxes deemed paid	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>TRANSPORTATION AND PUBLIC UTILITIES</b>								
<b>All income types.....</b>	<b>143</b>	<b>2,693,014</b>	<b>478,645</b>	<b>1,461</b>	<b>66,757</b>	<b>137,024</b>	<b>276,324</b>	<b>390,601</b>
Passive income.....	53	112,486	12,892	--	2,661	3,046	7,185	9,338
High withholding tax interest.....	34	2,977	787	--	273	443	71	593
Financial services income.....	**	**	**	**	**	**	**	**
Shipping income.....	*8	*387,757	*24,498	--	--	*18,194	*6,303	*24,498
Dividends from noncontrolled section 902 corporations.....	*8	*6,530	*3,359	--	*1,501	*435	*1,423	*1,143
Dividends from an IC-DISC or former DISC <sup>2</sup> .....	--	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC <sup>3</sup> .....	--	--	--	--	--	--	--	--
All other income from outside the United States.....	67	2,183,221	437,094	1,461	62,332	114,892	261,342	355,014
<b>WHOLESALE AND RETAIL TRADE</b>								
<b>All income types.....</b>	<b>578</b>	<b>3,141,705</b>	<b>1,032,769</b>	<b>12</b>	<b>123,542</b>	<b>208,977</b>	<b>700,262</b>	<b>876,502</b>
Passive income.....	178	177,162	31,452	--	2,547	8,040	20,864	28,318
High withholding tax interest.....	28	116,349	5,222	1	3,520	1,703	( <sup>4</sup> )	4,449
Financial services income.....	11	649,579	174,756	--	8	28,984	145,763	174,754
Shipping income.....	*3	*29,797	*2,888	--	--	*232	*2,655	*2,888
Dividends from noncontrolled section 902 corporations.....	20	39,972	11,068	4	2,668	359	8,046	6,039
Dividends from an IC-DISC or former DISC <sup>2</sup> .....	--	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC <sup>3</sup> .....	--	--	--	--	--	--	--	--
All other income from outside the United States.....	398	2,128,846	807,383	8	114,799	169,658	522,934	660,055
<b>FINANCE, INSURANCE, AND REAL ESTATE</b>								
<b>All income types.....</b>	<b>1,185</b>	<b>8,533,486</b>	<b>2,128,925</b>	<b>6,751</b>	<b>450,182</b>	<b>959,630</b>	<b>725,864</b>	<b>1,595,160</b>
Passive income.....	285	130,663	18,941	25	8,985	5,778	4,204	11,502
High withholding tax interest.....	119	181,329	55,950	--	6,999	44,384	4,567	36,090
Financial services income.....	168	7,068,253	1,654,079	6,716	322,673	828,871	509,250	1,279,146
Shipping income.....	**	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	156	178,883	113,268	10	35,352	20,750	57,176	57,943
Dividends from an IC-DISC or former DISC <sup>2</sup> .....	--	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC <sup>3</sup> .....	--	--	--	--	--	--	--	--
All other income from outside the United States.....	583	829,033	286,269	--	76,173	59,443	150,652	210,061
<b>SERVICES</b>								
<b>All income types.....</b>	<b>676</b>	<b>2,392,153</b>	<b>712,452</b>	<b>110</b>	<b>172,908</b>	<b>324,875</b>	<b>214,780</b>	<b>472,900</b>
Passive income.....	104	127,052	21,149	--	5,366	12,946	2,837	13,631
High withholding tax interest.....	15	12,034	1,430	--	2	1,429	--	1,419
Financial services income.....	89	10,964	568	--	77	491	--	385
Shipping income.....	**	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	30	25,105	24,609	--	9,744	4,325	10,540	8,319
Dividends from an IC-DISC or former DISC <sup>2</sup> .....	--	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC <sup>3</sup> .....	--	--	--	--	--	--	--	--
All other income from outside the United States.....	505	2,216,684	664,696	70	157,720	305,684	201,362	449,146

\* Data should be used with caution because of the small number of returns on which they were based.

\*\* Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

<sup>1</sup> Number of returns is not additive because some U.S. corporations have reported more than one income type.

<sup>2</sup> Interest Charge - Domestic International Sales Corporation (IC-DISC) and Domestic International Sales Corporation (DISC).

<sup>3</sup> Foreign Sales Corporation.

<sup>4</sup> Less than \$500.